

INDUSTRY CIRCULAR

OFFICE OF THE COMMISSIONER OF INTERNAL REVENUE
ALCOHOL AND TOBACCO TAX DIVISION



WASHINGTON 25, D. C.

Industry Circular No. 57-24

August 20, 1957

PROPOSED AMENDMENT OF 26 CFR PARTS 270 AND 275

Manufacturers of tobacco, cigars, and cigarettes:

Purpose. The purpose of this industry circular is to acquaint you with the provisions of a notice of proposed rulemaking, published in the Federal Register August 14, 1957, which would amend the regulations in 26 CFR Parts 270 and 275.

Background. In existing regulations, sections 270.142 and 275.132, "Records," require manufacturers of tobacco products to keep records of their operations and transactions for tobacco tax purposes on prescribed internal revenue forms. Studies and surveys indicate that many manufacturers of tobacco, cigars, and cigarettes maintain commercial records of their operations and transactions that contain information identical to that required to be entered in internal revenue records. In such instances the prescribed internal revenue records are merely posted from the commercial records maintained by the manufacturers. Such manufacturers of tobacco products and many internal revenue officers have recommended that commercial records be utilized for internal revenue tobacco tax purposes in lieu of the prescribed internal revenue records.

Proposed Changes. It is proposed to amend sections 270.142 and 275.132 to provide that manufacturers of tobacco products may utilize for tobacco tax purposes, commercial records which contain information concerning their operations and transactions similar to that required to be shown in the internal revenue records prescribed by these sections, but that where a manufacturer does not maintain and utilize commercial records which completely and adequately reflect his operations he shall keep the prescribed internal revenue record, together with all auxiliary and supplemental records of individual operations and transactions from which such record is compiled.

Comments. The notice of proposed rulemaking provides that, prior to adoption, consideration will be given to any data, views, or arguments pertaining thereto which are submitted in writing, in duplicate, to the Director, Alcohol and Tobacco Tax Division, Internal Revenue Service, Washington 25, D. C., within 30 days from the date of publication in the Federal Register.

Inquiries. Inquiries regarding this circular should refer to its number and be addressed to the office of your assistant regional commissioner (alcohol and tobacco tax).

Dwight E. Avis
Director, Alcohol and Tobacco Tax Division